

THE NEWS OF EUROPE.

SURPRISE IN ENGLAND AT THE ADVANCE IN THE BANK RATE.

GOLD EXPORTS LIKELY TO CONTINUE BECAUSE  
OF THE RISE IN WHEAT—EXCITEMENT IN  
THE MARKETS—A SETTLEMENT OF THE  
VENEZUELAN QUESTION EX-  
PECTED — SPAIN'S DESPER-  
ATE STRAITS — ENG.

LAND'S SITUATION  
—ART AND THE  
DRAMA.  
[BY CABLE TO THE TRIBUNE.]  
London, Oct. 24.—The best explanation of the  
advance in the bank rate to 4 per cent, which  
was expected last week, but has surprised the  
money market this week, is that it is due to the  
large increase in the purchasing power of Amer-  
ican wheat. While the gold exports to America  
have been large this week, it has not been  
thought likely that they would continue, since a  
large proportion of the wheat and cotton crop

rise in wheat has increased the purchasing power of the United States in the English money market.

net to such an extent that large exports of gold are now expected in settlement of the remaining shipments. The 4 per cent rate is now avowed as a precautionary measure to protect the Bank of England's gold reserve and prevent its further depletion. With the demand for American wheat so great as it is now, and with the prices of breadstuffs advancing by leaps and bounds, it is not probable that even the high bank rate will bring gold shipments to an end. Europe must pay for its imports either in gold or in American bonds; and the latter are already rising with the increasing prospect of McKinley's election, and are likely to go higher in November.

The wheat markets of London and Liverpool have labored under a continuous excitement during the week. Many stories are told of quantities

ing the wheat. Mark Lane importers. One operator who was unable to obtain his limit for three cargoes of wheat, sold them early the next morning at an advance of 3s., increasing his profits \$15,000 by waiting twelve hours. Another speculator buying a cargo of California wheat late one afternoon at an exceptionally high rate sold the next morning at a profit of \$5,000. Anything in the shape of wheat was snapped up as soon as offered, without reference to its origin or quality. The rapid rise of wheat brought many wheat speculators into the market who were at the top, and they hastily retreated when prices began to fall.

The advance in price is the greatest men-  
which English farmers have enjoyed for many  
years. Most of their crops failed this season  
owing to a drouth of long continuance, but  
their wheat was saved, and is now bringing  
the best prices known since the Russian famine.  
The causes of the advance are recognized as  
shortage in the American and Russian crops,  
threatened famine in India, the partial failure

of the Australian harvest, and the low stock held by English and European millers. English millers have been buying just enough wheat from week to week to keep their mills going, and they are now compelled to pay the highest prices for replenishing their stock. For this reason a speedy rise in the price of bread is not unlikely. The surplus of wheat which can be exported from Argentina is estimated

The English theory that gold shipments will cease after McKinley's election is based on the assumption that an immense amount of gold is now hoarded in America in view of a possible financial catastrophe in November, namely Bryan's success; and that when this is released there will be a plethora of money in New-York and no more gold will be required. This assumption takes no note of the essential fact that

the gold shipments have resulted from natural causes, and that the balance of trade is certain to be heavily against England and in favor of the United States.

Bryan's election is no longer regarded well-informed financiers as being within range of probabilities, but it is feared that McKinley may win by majorities so indecisive to prolong the period of uncertainty. "Economist" to-day asserts emphatically the return of McKinley with a sweeping Republican vote will restore confidence and revive American trade, and that American security

of which British holdings have been greatly reduced, will again find favor on this side, and that with increased purchases of these stocks the English debit balance to the United States would be enlarged.

The settlement of the Venezuela question which is considered not only probable but imminent in consequence of Sir Julian Pauncefote's instructions from Lord Salisbury, will move the last traces of resentment caused by Mr. Cleveland's December message, and help swell the speculative movement in American securities.

Spanish securities have fallen sharply this week, and the prospect for the new loan to the Madrid Government are attempting to negotiate is darker than ever. Paris is almost only financial centre where money can be raised by a bankrupt Government, and the C&O Ministry have been warned that if they want more money they must change their currency policy and substitute pacification for conquest. The new loan which the Government are seeking to induce the French syndicate to take for \$200,000,000, but it will not yield more than \$150,000,000, owing to the heavy discount.

funded debts of Spain and Cuba exceed \$1,000,000, and there is a floating debt of nearly \$170,000,000. M. Leroy Beaulieu has declared that French investors will not advance more money to the Madrid Treasury unless a pledge be given that the excessive military expenditures in Cuba shall cease. This will require the abandonment of the Cuban policy.

the Cánovas Government are not prepared to take a step which may imperil the existence of the Spanish monarchy. The Spanish debt is held mainly in France and Belgium, together with the chief railway issues. "The Spectator" remarks to-day that many statesmen in Madrid are inclined to calculate that war with the United States would save the honor of Spain, enable the treasury to liquidate its obligations without disgrace and relieve the monarchy of the burden of a ruined colony. French and Bel-

It has been a week of anomalies and paradoxes. An influential mass-meeting has been held in London to protest against government by assassination in the Sultan's dominions; there is no reasonable assurance that the popular agitation of the Armenian question in the East has accomplished any useful result. The celebration of the Trafalgar anniversary has been revived at a time when the Emperor of the East is at the summit of the nation's

policy requires the good will of the nation, led by Nelson on the high seas, and has chiefly remarkable for the reluctance of the admiralty to provide a naval band and guard the monument.

"The Daily Chronicle" has published an account of the treaty of alliance between France